

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding Policies,  
Procedures and Rules for Development of  
Distribution Resources Plans Pursuant to Public  
Utilities Code Section 769.

Rulemaking 14-08-013  
(Filed August 14, 2014)

**RESPONSE OF MARIN CLEAN ENERGY TO THE  
DISTRIBUTION RESOURCES RULEMAKING**

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In accordance with the directives provided in the August 20, 2014, Order Instituting Rulemaking (“Rulemaking”), Marin Clean Energy (“MCE”)<sup>1</sup> respectfully submits the following response to the Rulemaking. The Rulemaking directs that the IOUs are to develop “distributed resource plans” (“DRPs”) meaning, plans that relate to “distributed renewable generation resources, energy efficiency, energy storage, electric vehicles, and demand response technology.”<sup>2</sup> MCE is deeply involved in the deployment of distributed resources. MCE’s primary interest in the Rulemaking is to ensure that the Commission – and the DRPs authorized by the Commission – facilitates the widespread deployment of distributed resources on a competitively neutral basis by load serving entities (“LSEs”) such as community choice aggregators (“CCAs”), local governments, third parties and other participants.

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<sup>1</sup> MCE currently serves approximately 125,000 customer accounts in Marin County and the City of Richmond. MCE has filed an additional implementation plan with the Commission that provides information on MCE’s projected addition of the County of Napa to its service territory. Pending the approval of the implementation program, MCE anticipates providing services to an additional 13,500 Napa County customer accounts in 2015. All CCA customers are deemed “unbundled” because they receive their generation and distribution services from different service providers. In MCE’s case, a customer receives generation services from MCE and transmission and distribution services from PG&E.

<sup>2</sup> See, Public Utilities Code (“P.U. Code”) Section 769(a).

This Rulemaking will tackle the challenging question of how generation-related distributed resources impact, and can be facilitated by, the distribution grid and the distribution utilities. The Commission will need to grapple with several key questions, including:

- How can the Commission and the distribution utilities most effectively facilitate the widespread deployment of distributed resources?
- What steps must the Commission and the distribution utilities take to ensure that the deployment of distributed resources is achieved in a competitively neutral manner?

#### **I. MCE Is an Active Participant in the Deployment of Distributed Resources**

MCE is the first CCA in California. MCE’s mission is to “address climate change by reducing energy related greenhouse gas emissions and securing energy supply, price stability, energy efficiencies, and local and economic workforce developments.”<sup>3</sup> To achieve its mission, MCE is actively engaged in deploying and facilitating the deployment of distributed resources.

##### **A. Distributed Renewable Generation Resources**

MCE has a robust Net Energy Metering tariff and program, with over 3,000 participating customer accounts. MCE is also facilitating the deployment of renewable generation resources through its Feed-in Tariff (“FIT”) and also through the launch of its 100% local renewable energy product, Sol Shares. MCE is deeply committed to promoting distributed generation through local solar to its communities. MCE collaborates with Grid Alternatives, the Marin City Community Development Corporation, RichmondBUILD, and Richmond Solar on its programs.

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<sup>3</sup> The MCE Mission can be found here: <http://marincleanenergy.org/>

## **B. Energy Efficiency**

MCE offers a customizable Energy Efficiency (“EE”) program for all customers in its service area, regardless of whether they receive service from MCE.

### **1. *Single Family Program***

MCE’s offerings include a residential program that utilizes an interactive web tool, My Energy Tool, to help customers identify and take action on simple energy saving measures to reduce their energy consumption. MCE's My Energy Tool allows customers to create personalized action plans, provides access to a qualified contractor database, and connects users to applicable rebates, incentives and MCE's Green Home Loan program.

MCE has partnered with First Community Bank to offer Green Home Loans to provide single-family property owners with competitive financing for EE upgrades. This exciting new program allows property owners to finance energy improvements and re-pay the loan on their energy bill, removing up-front costs.

### **2. *Multi-Family Program***

MCE’s multi-family program offers different incentive levels for income qualified versus market rate properties. The program seeks to motivate comprehensive energy solutions to benefit tenants and building owners alike. This program has been combined with the on-bill repayment financing program.

### **3. *Small Commercial Program***

Targeted at convenience stores, retail offices, and professional building, the small business program offers technical assistance in identifying whole building efficiency solutions. The program is also supported by the small business on-bill repayment program, which provides financial assistance to overcome first cost and split incentive barriers.

### **C. Energy Storage**

In accordance with AB 2514 and Commission Decision 13-10-040, CCAs are obligated in procuring 1% of their 2020 annual peak load from Energy Storage projects under contract by 2020. MCE is exploring various procurement possibilities for meeting this obligation, from customer-sited energy storage to shape specific customers' demand profiles, to energy storage coupled with new renewable generation assets procured under MCE's feed-in-tariff and open season PPA solicitation process, to stationary energy storage coupled with electric vehicle charging stations to mitigate adverse grid reliability impacts, to energy storage installations specifically geared towards providing ancillary services and fast ramping capabilities that would satisfy MCE's new Flexible Resource Adequacy requirements. Since October 2013, MCE and Tesla Motors, Inc. have been collaborating to identify specific large users within MCE's service territory that could benefit from site-specific energy storage arrays that would mitigate customers' impacts on the grid and corresponding demand charges by reshaping their demand profiles to avoid peak usage.

### **D. Electric Vehicles**

Since inception, MCE has offered Electric Vehicle-specific rates to its customers. MCE has also helped support the installation of five public access Electric Vehicle charging stations within MCE's service territory. Over the last year MCE has been exploring opportunities and promoting awareness to encourage the usage of Electric Vehicles by customers within its service territory, including the conversion of light-duty personal transportation to Electric Vehicles, the conversion of light-duty fleets to Electric Vehicles, and the conversion of medium-duty fleet vehicles, such as buses, to electric drive-trains. Over the last nine months, MCE has been coordinating efforts with the Transportation Authority of Marin, local transit agencies, and the

Center for Sustainable Energy (formerly California Center for Sustainable Energy) to explore the viabilities of piloting the use of electric buses for public transportation usage within MCE's service territory. MCE is also considering the implementation of non-residential Electric Vehicle rates to encourage more sophisticated Electric Vehicle charging capabilities at workplaces to better coordinate this demand with grid reliability needs.

#### **E. Demand Response**

Starting in July 2013, MCE partnered with Bidgely, Inc. in the form of a pilot program that provided MCE customers with Home Area Network devices that enable the customers to better monitor and understand their disaggregated home electricity usage data. Presently, MCE is in discussions with several different Demand Response technology providers and other Demand Response program administrators in order to devise an Automated Demand Response pilot program that MCE would offer to its customers.

MCE is also currently engaging within the Commissions Demand Response Order Instituted Rulemaking 13-09-011 to recommend ways in which CCA administered Demand Response programs can be better supported and encouraged by the Commission. MCE believes there are numerous ways in which IOU Demand Response must be revised to become competitively neutral such that CCAs can offer DR programs on an equal footing to the IOUs. While the Demand Response matters continue to be considered before the Commission, MCE is also exploring the possibilities of offering supply-side and load-modifying Demand Response programs to its customers through a more expedient means.

## **II. Summary of Proceeding**

The Rulemaking was opened by the Commission "to establish policies, procedures, and rules to guide California investor-owned electric utilities (IOUs) in developing their Distribution

Resources Plan Proposals, which they are required by Public Utilities Code Section 769 to file by July 1, 2015. This rulemaking also will evaluate the IOUs' existing and future electric distribution infrastructure and planning procedures with respect to incorporating Distributed Energy Resources.”<sup>4</sup> The Rulemaking is driven by the passage of Assembly Bill (“AB”) 327,<sup>5</sup> which added to the Public Utilities Code a new Section 769, which addresses the IOUs' electric distribution planning and the Commission's obligation to review, modify, and approve the IOUs' Distribution Resources Plan Proposals (“DRPs”). The bill addresses multiple aspects of the provision of regulated utility service and of the energy market, including Net Energy Metering, the Renewables Portfolio Standard, natural gas and electricity rates, and electricity resources.

The Rulemaking further notes that for some time the Commission has been developing policies “that engaged and promoted ever greater quantities of Distributed Energy Resources (DERs) located within the IOU distribution system.”<sup>6</sup> Notably, the Commission is authorized to modify and approve an IOU's DRP “as appropriate to minimize overall system costs and maximize ratepayer benefit from investments in distributed resources.”<sup>7</sup> It also attaches as Appendix B a draft framework paper titled “*More than Smart: A Framework to Make the Distribution Grid More Open, Efficient and Resilient*,” authored by Mr. Paul DeMartini. The paper provides the basis for questions asked in the Rulemaking and is intended to be a framework from which the Rulemaking will establish policies, procedures, and rules for the development of the IOUs' DRPs.

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<sup>4</sup> Rulemaking, at p. 2.

<sup>5</sup> Stats. 2013, ch. 611).

<sup>6</sup> Rulemaking, at p. 3.

<sup>7</sup> Ibid.



### **III. Response to Rulemaking Questions**

MCE responds herein to certain of the questions posed by the Rulemaking and reserves the right to respond to others in the reply comments due on September 22, 2014.

**Question 1. What specific criteria should the Commission consider to guide the IOUs' development of DRPs, including what characteristics, requirements and specifications are necessary to enable a distribution grid that is at once reliable, safe, resilient, cost-efficient, open to distributed energy resources, and enables the achievement of California's energy and climate goals?**

There are three fundamental criteria by which the Commission should judge the IOUs' DRPs; transparency, competitive neutrality and ease of access to data, billing and interconnection.

***Transparency.*** The IOUs must provide all parties with comprehensive and transparent information regarding the structure and operation of their respective distribution systems. This will facilitate third party access to the system in ways that will enhance creativity and innovation. Conversely, if the details of a utility's distribution system operating parameters are kept confidential, third parties will be deterred from attempting to offer new goods and services that might otherwise contribute to the Commission's goals for the state's distribution grid.

***Competitive Neutrality.*** Competitive neutrality must be a cornerstone of the DRPs and of the Commission's program for enhancing access to new distributed energy resources. Above all, the Commission must ensure that no one participant may stifle or supplant the participation or innovation any other participant. Doing so will facilitate achievement of the Commission's goals and enhance opportunities for end-users to become meaningfully involved in the management of their energy supplies.

***Ease of Access to Data, Billing and Interconnection.*** The Commission should require core technical capability and functionality for the widespread deployment of DERs. This requires ease of access to (1) data, (2) billing, and (3) interconnection.

Access to Data: With regard to data, the IOUs' DRPs facilitate access to meaningful data. This is discussed in response to Question 9 below.

Access to Billing: Since DERs will be deployed by a wide range of parties, the billing functionalities of the IOUs will need to be updated to ensure that there are billing mechanisms in place for those parties to recover costs of the DERs they are deploying.

Access to Interconnection: In the case of interconnection to the distribution grid, the Commission and the IOUs must take steps to ensure that such interconnections are expedient and low-cost.

**Question 9. What types of data and level of data access should be considered as part of the DRP?**

DRP necessarily requires the delivery of real-time data in order to respond to the ever-changing needs of the grid and to inform the required flexibility of energy resources required for DRP. In early 2015, MCE should have complete access to Advanced Metering Infrastructure (AMI) data for our customers. However, this access will be limited to at least 24 hours after usage. This delayed data delivery will not be able to inform a real-time DRP. As such, creating a mechanism for real-time delivery of data is crucial to DR administrators, including MCE. IOUs should not be given exclusive access to this information and must be required to share it with the appropriate administrators in real time.

**Question 12. What principles should the Commission consider in setting criteria to govern the review and approval of the DRPs?**

MCE believes that a fundamental precept for the Commission's consideration should be to determine how it can best facilitate widespread deployment and competitive neutrality in the provision of DERs.

At the Commission meeting at which the Rulemaking was approved unanimously, Commissioner Florio encouraged people “who have never set foot in this building” to get involved and President Peevey observed that change is happening at a faster pace than anticipated, just as it did with telecom, “when it happened so fast that we could not keep up.”

If the Commission wishes to ensure the development of utility DRPs that reflect the vast scope of potential change occurring in the industry then it must make a fundamental commitment to facilitating and fostering the participation of a wide range of stakeholders in the provision of DERs. In essence, the IOUs in their role as distribution utilities must facilitate non-distribution resources.

**Question 15. What, if any, further actions, should the Commission consider to comply with Section 769 and to establish policy and performance guidelines that enable electric utilities to develop and implement DRPs?**

MCE recommends that the IOU role should primarily be to identify the needs and benefits of the new technologies and new services that will comprise their DRPs. Their focus should be on how to upgrade and expand their distribution systems to accommodate the new paradigm envisioned by the Rulemaking. However, it is fundamental that CCAs, third parties and others should have equal access to deploying these new resources. The Commission should require that each IOU’s DRP must provide for open access to all parties in this regard. This will encourage creativity, foster competition and ensure that technological advances are adopted efficiently in order to achieve the Commission’s energy and climate goals.

#### **IV. Rule 6.2 Compliance**

##### **A. Proposed Category**

MCE support the Rulemaking’s proposed categorization as quasi-legislative.

## **B. Need for Hearing**

MCE concurs that the issues in the first phase of the Rulemaking may be resolved through comments and workshops without the need for evidentiary hearings. However, as indicated below in our comments on the proposed schedule, the possibility of hearings with regard to the IOUs' filed DRPs should not be disregarded.

## **C. Issues to Be Considered**

While MCE largely concurs with the list of issues provided in the preliminary scoping memo, it believes the Rulemaking fails to adequately address competitive neutrality considerations. MCE therefore recommends that the following issues be added to the proceeding's scope:

1. How can the Commission and the distribution utilities most effectively facilitate the widespread deployment of distributed resources?
2. What steps must the Commission and the distribution utilities take to ensure that the deployment of distributed resources is achieved in a competitively neutral manner?

## **D. Schedule**

MCE is generally amenable to the schedule proposed in the Rulemaking. It believes that in order to optimize third party involvement in this proceeding, the suggested Workshop on Staff Proposal slated for November should definitely be held. Further, we note the schedule calls for the utility DRPs to be filed, per the statute, on July 1, 2015, with a Commission decision on them to be issued by March, 2016. Presumably the interim period will include a subsequent ruling that will permit third party comments and replies on the DRPs. Further, that ruling should provide for the possibility of hearings in the event that disputed issues of fact should arise in connection with the DRPs.

**V. Conclusion**

MCE is highly committed to creative and innovative programs to serve its customers' 21<sup>st</sup> Century energy management, green energy procurement and GHG reduction goals. Therefore, MCE welcomes this Rulemaking and intends to participate fully in an effort to ensure that distributed resources are fostered in a competitively neutral manner.

MCE thanks the Commission, Assigned Commissioner Picker, and Administrative Law Judge Gamson for their attention to these comments.

Respectfully submitted,

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